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July 18, 2011

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Department of Natural Resources
Attn: Tracy Zayac
PO Box 94676
Lincoln, NE 68509-4676

DEPARTMENT OF
NATURAL RESOURCES

Re: Application for an Industrial Ground Water Transfers Permit and
Application for a Permit to Transfer Ground Water to Adjoining State

Dear Ms. Zayac:

Please find the additional information you requested regarding my industrial water groundwater transfer permit applications. I have fixed the registration numbers on both applications.

Also, the 33.8 acre-feet/year request is correct on both applications. This number is the maximum amount I am looking to sell on any given year. Depending on the demand for water this amount could be sold entirely in Nebraska, entirely in Colorado, or a combination of the two areas.

The next couple of paragraphs will address items in the *Rules for Ground Water, Title 456 Neb. Admin. Code*. Chapter Four – Industrial Ground Water Permit:

001.01 The application form is enclosed

001.02A Detailed registration information for both wells including: location, depth, casing and screen size, pump capacity, and registration numbers is enclosed.

001.02B The area the wells are in is the high plains area of Nebraska. The aquifer under this area is the Ogallala aquifer. In this particular area the Ogallala has bands of clay throughout the sands and gravels which often can limit the pumping capacity of wells drilled in the area. The depth to water in this area is just over 100 feet. The groundwater in this area does not have an effect on any nearby surface water.

001.02C Any water used for industrial purposes out of these two wells will be monitored. Flow meters approved by the South Platte NRD have already been installed and are being read monthly. In addition I keep track of water sales to the oil industry on a per job basis.

001.02D The only other relevant Permit at this time is the Permit to Transfer Water to an Adjoining State, which is also currently in the application process.

001.02E Well driller's logs can be found in the attached well registration information.

001.02F Well G-058532 currently pumps approximately 300 gallons per minute, and well G-051806 currently pumps approximately 400 gallons per minute according to the installed flow meters.

001.02G Withdrawal rates for wells will not exceed 95,000 gallons per day for industrial uses. With my system, I am not set up to both irrigate and sell industrial water at the same time. Therefore, my irrigation use has remained fairly constant over the last several years. I also have to closely monitor industrial water sales as to not interfere with my irrigation scheduling. Having sold industrial water for the last several years, as well, I have not seen any adverse effects on my wells including my domestic or livestock wells in the surrounding area. I have also enclosed a map from the South Platte NRD depicting water level differences over the last ten years. The South Platte NRD has limited data in my area; however, the map indicates that water levels in my area have remained relatively steady for the last ten years.

001.02H Alternative sources of ground water do exist. However, my wells have an established industrial baseline with the South Platte NRD and are located on Highway 71 which makes them appealing for industrial transfers. Other irrigation wells in both Colorado and Nebraska do exist; however, my wells are already set up for loading trucks, have flow meters, and have an approved baseline. Other irrigation wells would have to get metered and find offsets if they do not have an approved baseline. I am not entirely sure how selling industrial water off of an irrigation well in Colorado works, but some wells do exist in the area. I believe my wells are in a better location for transport than the wells in Colorado because of my close proximity to Highway 71. No surface water exists in the nearby area.

001.02I Several maps are enclosed with this letter. No pipelines, treatment plants, or wastewater disposal sites are proposed in this project. No surface water rights exist in the area. The ten year water level difference map is the closest thing I have to a water table map.

001.03 The economic benefit will include the following item. I will be paid for industrial water sales by my customers. In turn my customers will bring jobs to the area for hauling water, drilling oil wells, constructing wind turbines, etc. Also, the additional jobs will help out the surrounding towns with more business being done by area restaurants, hotels, realtors, etc. No other economic benefits for surface or groundwater use can be seen at this time.

001.04 The environmental impact of this project will be minimal. The local environment around my farm will see increased truck traffic with little other known impacts. Additional impacts will be monitored by the industrial water customers themselves. These impacts will probably not be at my farm could include but not be limited to the following: oil well drilling, oil transport and storage, wind turbine generation, and power line substations and distribution lines.

001.05 The social impact from this project will be positive. Our area is always looking for a new ways to bring jobs and people to the area. This project will help with both of these areas, and industrial uses of this type in the past have always been looked upon favorably.

Chapter Six: Permit to Transfer Ground Water to Adjoining State

001.02A The operation schedule will vary greatly depending on the requests from the industrial water users. The oil well drilling industry can drill wells throughout the year, and the demand for wells will depend on how the first horizontal oil wells drilled in the Niobrara Formation turn out. The wind turbine construction industry mainly occurs during the summer months and the water will be used for dust abatement and mixing concrete.

001.02B-G All other information was addressed earlier in this letter or is included in the attachments.

If you have any questions please give me a call at (308) 235-3438.

Respectfully,

LeRoy Yung 

Cc: Rod Horn, South Platte Natural Resources District